Form 3160-3 (August 1999)

## INITED STATES

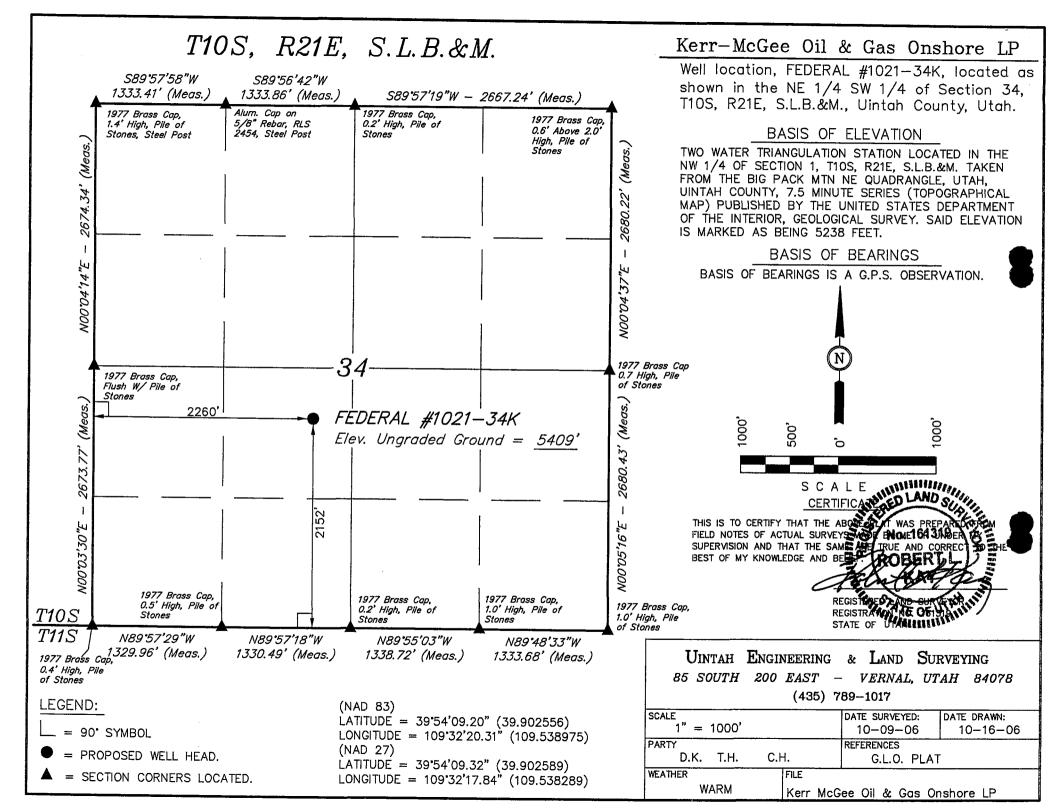
FORM APPROVED OMB No. 1004-0136

UNITED SIA	LES			Expires Nove	mber 30, 2000	
DEPARTMENT OF THE	5. Lease Serial No.					
BUREAU OF LAND MAN	UTU-02277-B					
APPLICATION FOR PERMIT TO	6. If Indian, Allottee of	r Tribe Name				
la. Type of Work: X DRILL REI	7. If Unit or CA Agree	ement, Name and No.				
				8. Lease Name and W	ell No.	
b. Type of Well: Oil Well X Gas Well Other	<u> </u>	Single Zone	Multiple Zone	FEDERAL 102	1-34K	
2. Name of Operator KERR McGEE OIL & GAS ONSHORE LP				9. API Well No. 43-04		
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	ode)	10. Field and Pool, or Exploratory NATURAL BUTTES				
4. Location of Well (Report location clearly and in accordance with At surface NE/SW 2152'FSL, 2260'FWL 62'	any State req	uirements.*)	501	11. Sec., T., R., M., or	Blk, and Survey or Area	
		39.90	TO COLO CO			
At proposed prod. Zone	17757	<del>Y -109.</del>	538280	SEC. 34, T10S, R		
<ol> <li>Distance in miles and direction from nearest town or post office*</li> <li>7 MILES SOUTHEAST OF OURAY, UTAH</li> </ol>				12. County or Parish	13. State	
15. Distance from proposed*	16 No of 4	Acres in lease	17. Spacing Unit de	UINTAH	UTAH	
location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	1640.00	teres in lease	40.00	dicated to this well		
18. Distance from proposed location* to nearest well, drilling, completed, REFER TO	19. Propose	d Depth	20. BLM/BIA Bond	No. on file		
to nearest well, drilling, completed, applied for, on this lease, ft.  REFER TO TOPO C	8930'		BOND NO. WY	/YB000291		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5408'GL</b>	22. Approxi	imate date work wi	tte date work will start*  23. Estimated duration			
	24. <i>A</i>	Attachments				
The following, completed in accordance with the requirements of Ons	hore Oil and	Gas Order No. 1, s	hall be attached to this	form:		
1. Well plat certified by a registered surveyor.		1 4 Bond to co	wer the operations up	less covered by an existin	a hand on file (see	
A Drilling Plan.		Item 20 ab		ness covered by an existing	g bolid on the (see	
3. A Surface Use Plan (if the location is on National Forest System L	ands the		ŕ			
SUPO shall be filed with the appropriate Forest Service Office.	ands, the					
out of small of fried with the appropriate Forest out vice of the		authorized	-	on and/or plans as may be	required by the	
25. 81 shally (17/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/	Nar	ne (Printed/Typed)	)	D	ate	
///www///www	¦SH	EILA UPCHE	GO		8/15/2007	
SENIOR LAND ADMIN SPECIALIST		4				
Approved by Signature	Name (Printed/Typed)  Date  OS-77-0-					
Title	Offi	ENVIRONMENT	TAL MANAGER			
Application approval does not warrant or certify that the applicant ho	lds legal or ea	uitable title to thos	e rights in the subject	lease which would entitle	the applicant to conduct	
operations thereon.	108u1 01 0q	a.more trac to thos	o rigina in the subject	ioaso winon would entitle	ane applicant to conduct	
Conditions of approval, if any, are attached.						
Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make	it a crime for	any person knowin	igly and willfully to m	ake to any department or a	gency of the United	
States any false, fictitious or fraudulent statements or representations				and so any department of a	sponey of the Office	
*//						

\*(Instructions on reverse)

RECEIVED AUG 2 1 2007

DIV. OF OIL, GAS & MINING



#### FEDERAL #1021-34K NE/SW SEC. 34, T10S, R21E UINTAH COUNTY, UTAH UTU-02277-B

#### **ONSHORE ORDER NO. 1**

#### DRILLING PROGRAM

#### 1. <u>Estimated Tops of Important Geologic Markers:</u>

Formation	<u>Depth</u>
Uinta	0- Surface
Green River	947'
Top of Birds Nest Water	1205'
Mahogany	1740'
Wasatch	4089'
Mesaverde	6796'
MVU2	7817'
MVL1	8361'
TD	8930'

#### 2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Substance	<u>Formation</u>	<u>Depth</u>
	Green River	947'
	Top of Birds Nest Water	1205'
	Mahogany	1740'
Gas	Wasatch	4089'
Gas	Mesaverde	6796'
Gas	MVU2	7817'
Gas	MVL1	8361'
Water	N/A	
Other Minerals	N/A	

#### 3. <u>Pressure Control Equipment</u> (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

#### 4. **Proposed Casing & Cementing Program:**

Please see the Natural Buttes Unit SOP.

#### 5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

#### 6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

#### 7. Abnormal Conditions:

Maximum anticipated bottomhole pressure calculated at 8930' TD, approximately equals 5537 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3572 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

#### 8. <u>Anticipated Starting Dates:</u>

Drilling is planned to commence immediately upon approval of this application.

#### 9. Variances:

Please see Natural Buttes Unit SOP.

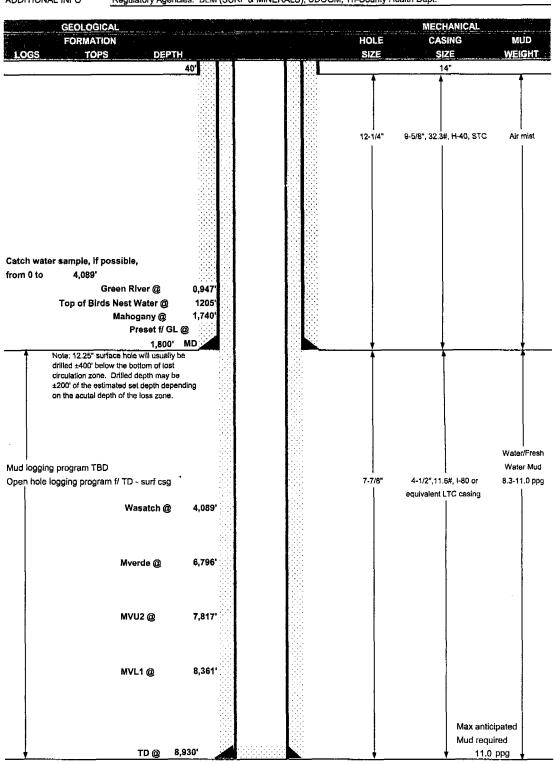
#### 10. Other Information:

Please see Natural Buttes Unit SOP.



#### KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	August 15	5, 2007		
WELL NAME	FEDERAL 1021-34K	TD	8,930'	MD/TVD		
FIELD Natural Butt	es COUNTY Uintah STATE L	ltahE	LEVATION	5,409' GL	KB	5,424'
SURFACE LOCATION	NE/SW SEC. 34, T10S, R21E 2152'FSL, 2260'	FWL			BHL	Straight Hole
	Latitude: 39.902556 Longitude: 109.5	38975				
OBJECTIVE ZONE(S)	Wasatch/Mesaverde					
ADDITIONAL INFO	Regulatory Agencies: BLM (SURF & MINERAL	S), UDOGM	, Tri-County	Health Dept.		





#### KERR-McGEE OIL & GAS ONSHORE LP

#### DRILLING PROGRAM

#### CASING PROGRAM

									ESIGN FACT	ors
	SIZE	IN	TERV	٩L	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"		0-40'							
								2270	1370	254000
SURFACE	9-5/8"	0	to	1800	32.30	H-40	STC	0.72*****	1.63	4.99
								7780	6350	201000
PRODUCTION	4-1/2"	0	to	8930	11.60	1-80	LTC	2.48	1,24	2.22

<sup>1)</sup> Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

(Burst Assumptions: TD =

11.0 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)

MASP

3143 psi

Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

#### CEMENT PROGRAM

\*\*\*\*\*\*\*

	FT, OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1		+ .25 pps flocele	}			1
TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50		15.60	1.18
		+ 2% CaCl + .25 pps flocele				
TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to se	urface, opt	tion 2 will b	e utilized	
Option 2 LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite	170	35%	11.00	3.82
		+.25 pps Flocele + 3% sait BWOC	1			
TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
		+ .25 pps flocele		ļ		
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
	2 5001	Described the Hard Name of the Control of the Contr		2201	44.00	
PRODUCTION LEAD	3,580'	Premium Lite II + 3% KCI + 0.25 pps	390	60%	11.00	3.38
		celloflake + 5 pps gilsonite + 10% gel	l			
		+ 0.5% extender				,
TAIL	5,350	50/50 Poz/G + 10% sait + 2% gel	1500	60%	14.30	1.31
		+.1% R-3				

<sup>\*</sup>Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

#### **FLOAT EQUIPMENT & CENTRALIZERS**

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.	
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.	_

#### ADDITIONAL INFORMATION

DRILLING SUPERINTENDENT:

DRILLING

tour sheet. Function test rams on each trip, Maintain safety valv	e & inside BOP on rig floor at all times. Kelly to be equipped with upper
& lower kelly valves.	
Drop Totco surveys every 2000'. Maximum allowable hole angle	is 5 degrees.
Most rigs have PVT Systems for mud monitoring. If no PVT is av	allable, visual monitoring will be utilized.

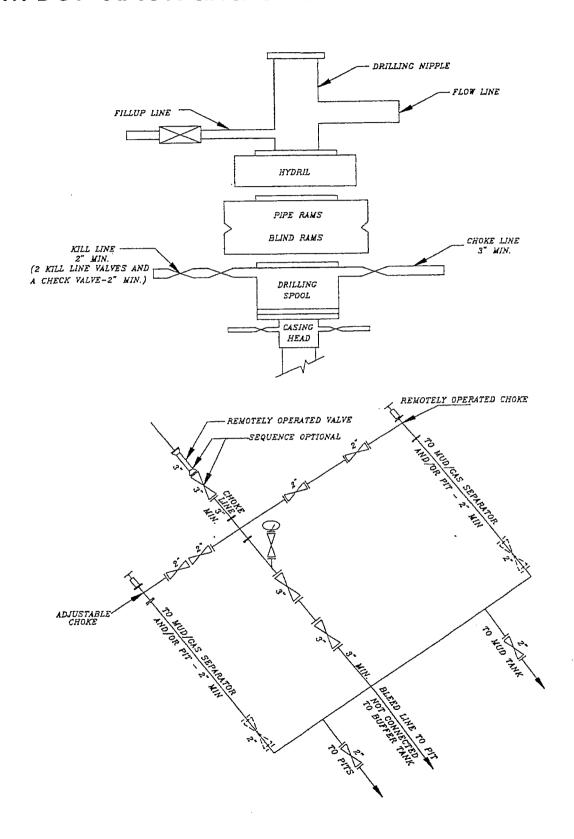
DATE:

Randy Bayne

<sup>2)</sup> MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

<sup>\*</sup>Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

## 5M BOP STACK and CHOKE MANIFOLD SYSTEM



#### FEDERAL #1021-34K NE/SW SEC 34, T10S, R21E UINTAH COUNTY, UTAH UTU-02277-B

#### ONSHORE ORDER NO. 1

#### MULTI-POINT SURFACE USE & OPERATIONS PLAN

#### 1. Existing Roads:

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

#### 2. Planned Access Roads:

Approximately 0.8 +/- miles of new access road is proposed. Please refer to the attached Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: <u>Surface</u> Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

#### 3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

#### 4. Location of Existing & Proposed Facilities & Pipelines:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

#### Variances to Best Management Practices (BMP) Requests:

Approximately 5250' +/- of 4" steel pipeline is proposed. Please refer to the attached Topo Map D for pipeline placement.

A 30' rights-of-way will be required approximately 13,300' +/- of 6" steel pipeline is proposed from the location the pipeline will stay within the lease in Sec. 35, T10S, R21E (Lease #UTU-02277-B) The pipeline will cross into Sec. 1, T11S, R21E (Lease #UTU-80385); the travel on to Sec. 2, T11S, R21E (Lease #UTU-80385); to an tie-in point. Please refer to Topo Map D.

A 30' rights-of-way will be required approximately 8050' +/- of 8" steel pipeline is proposed from the tie-in point in Sec. 35, T10S, R21E (UTU-02277-B) this portion of the pipeline will stay within the lease. Then pipeline will travel off lease in Sec. 1, T11S, R21E (Lease #UTU-80385) traveling west into Sec. 2, T11S, R21E (Lease #UTU-80386) to an tie-in point. Please refer to the attached Topo Map D for pipeline placement.

The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

#### 5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

#### 6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

#### 7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR

355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec.35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

#### 8. Ancillary Facilities:

None are anticipated.

#### 9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

#### 10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

#### Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Black Sagebrush 8 lbs Galleta Grass 8 lbs

The operator shall call BLM for the seed mixture when final reclamation occurs.

#### 11. Surface Ownership:

United States of America Bureau of Land Management 170 South 500 East Vernal, UT 84078 (435) 781-4400

#### 12. Other Information:

#### **WILDLIFE STIPULATIONS:**

**SAGE GROUSE:** No construction or drilling activities March 1<sup>st</sup> – June 30<sup>th</sup>.

A Class III Archaeological Survey has been performed, the report will be submitted when it becomes available.

The paleontological Survey Report has been performed, the report will be submitted when it becomes available.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

#### 13. Lessee's or Operators's Representative & Certification:

Sheila Upchego Senior Land Admin Specialist Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435) 781-7024

Randy Bayne Drilling Manager Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

(435)781-7018

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil &Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Sheila Upchego

August 15, 2007

Date

## Kerr-McGee Oil & Gas Onshore LP

## FEDERAL #1021-34K SECTION 34, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.9 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE PROPOSED #1021-35M TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED #1021-35M AND THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.8 MILES TO PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 52.7 MILES.

## Kerr-McGee Oil & Gas Onshore LP

FEDERAL #1021-34K LOCATED IN UINTAH COUNTY, UTAH SECTION 34, T10S, R21E, S.L.B.&M.

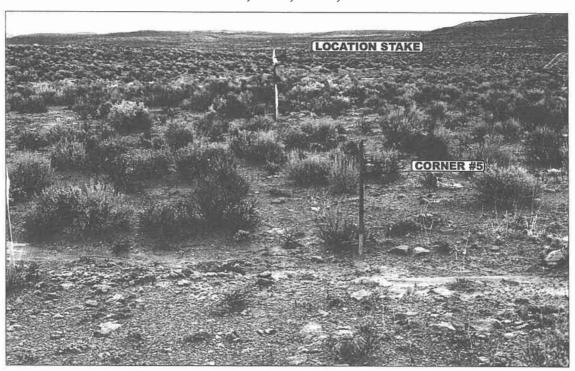


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

**CAMERA ANGLE: NORTHEASTERLY** 

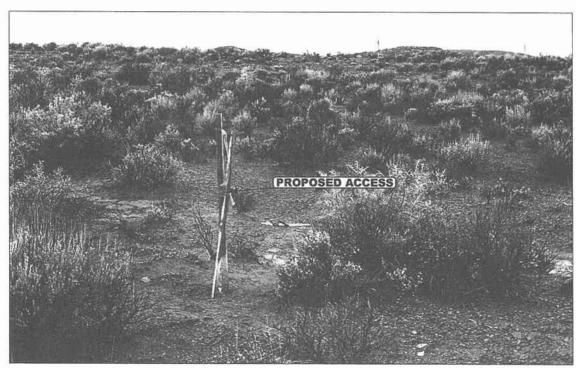


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

**CAMERA ANGLE: WESTERLY** 



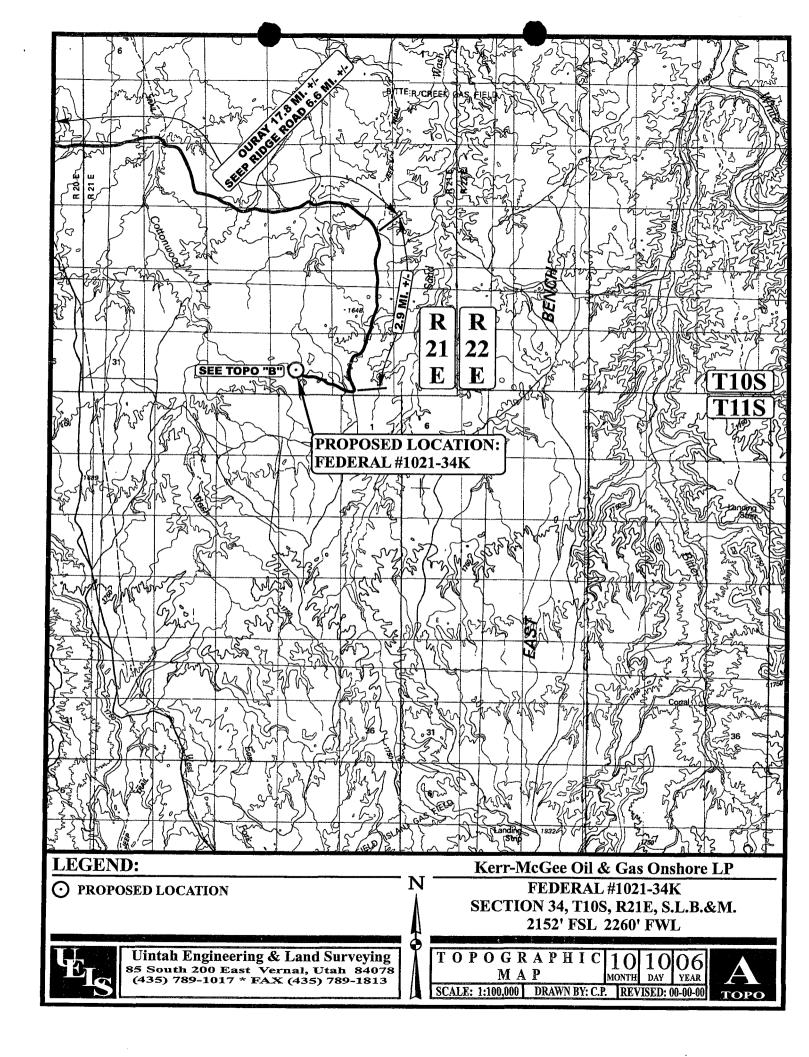
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

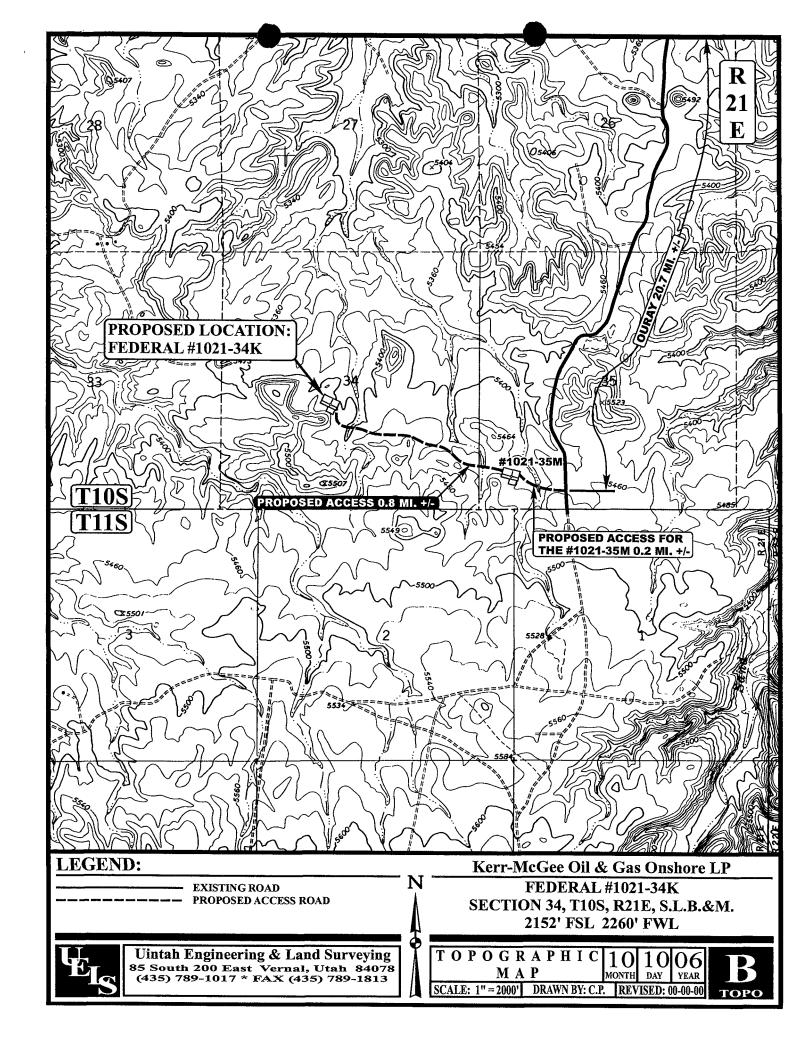
LOCATION PHOTOS

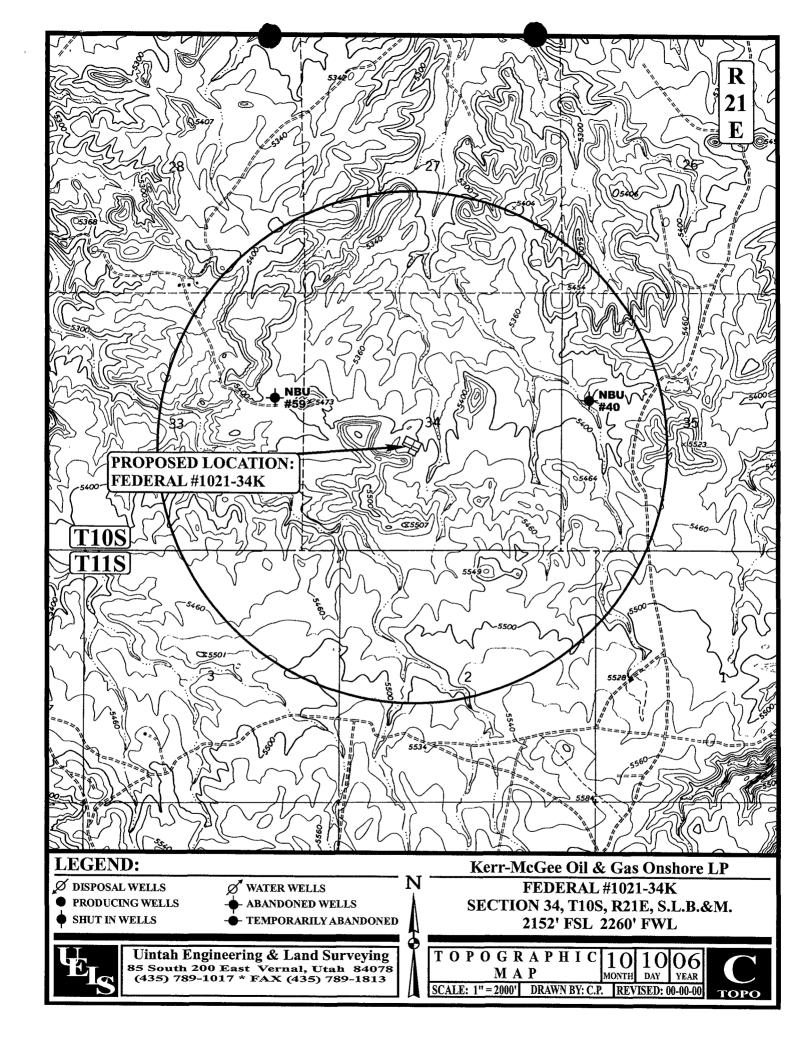
10 10 06 MONTH DAY YEAR

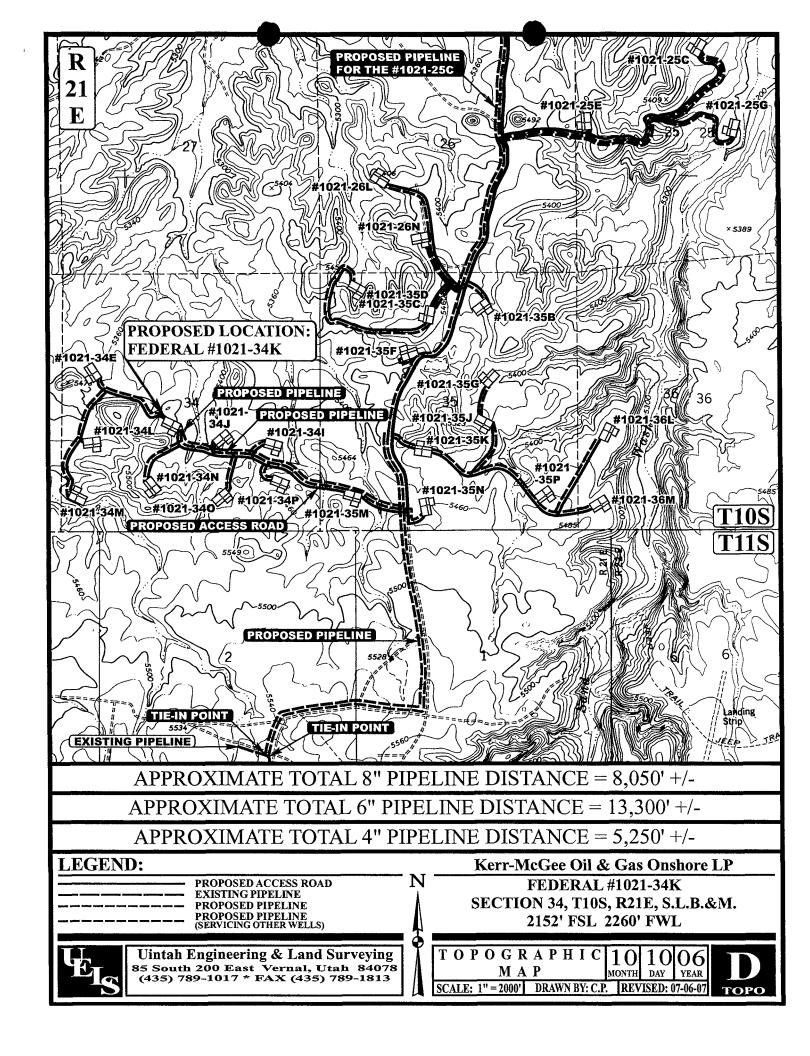
**РНОТО** 

TAKEN BY: D.K. | DRAWN BY: C.P. | REVISED: 00-00-00









# Kerr-McGee Oil & Gas Onshore LP FEDERAL #1021-34K

PIPELINE ALIGNMENT LOCATED IN UINTAH COUNTY, UTAH SECTION 34, T10S, R21E, S.L.B.&M.

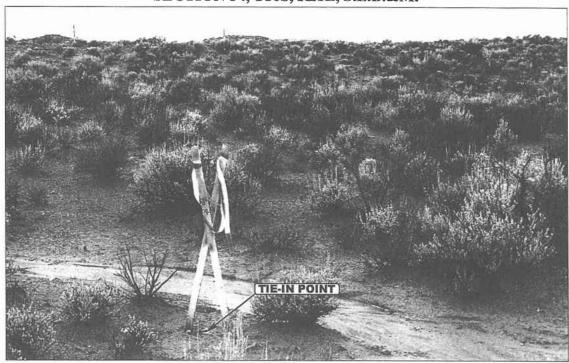


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: WESTERLY

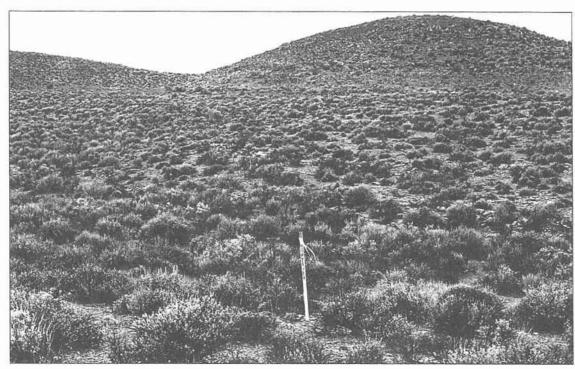


PHOTO: VIEW OF PIPELINE ALIGNMENT

**CAMERA ANGLE: WESTERLY** 

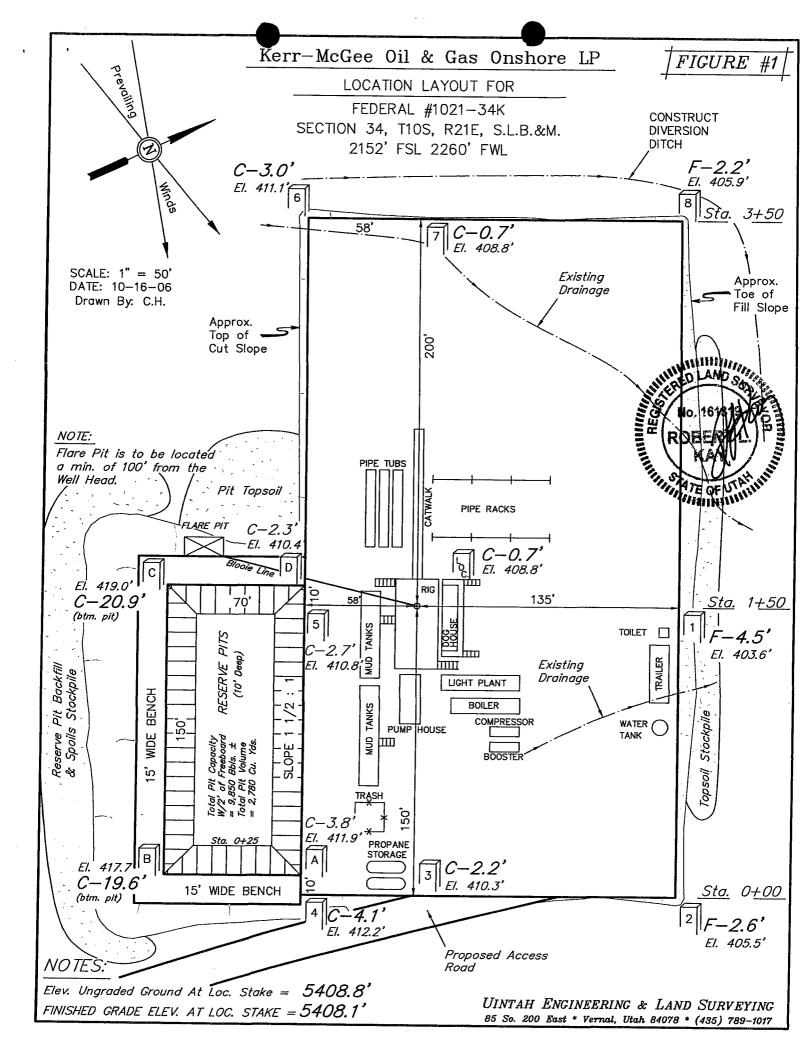


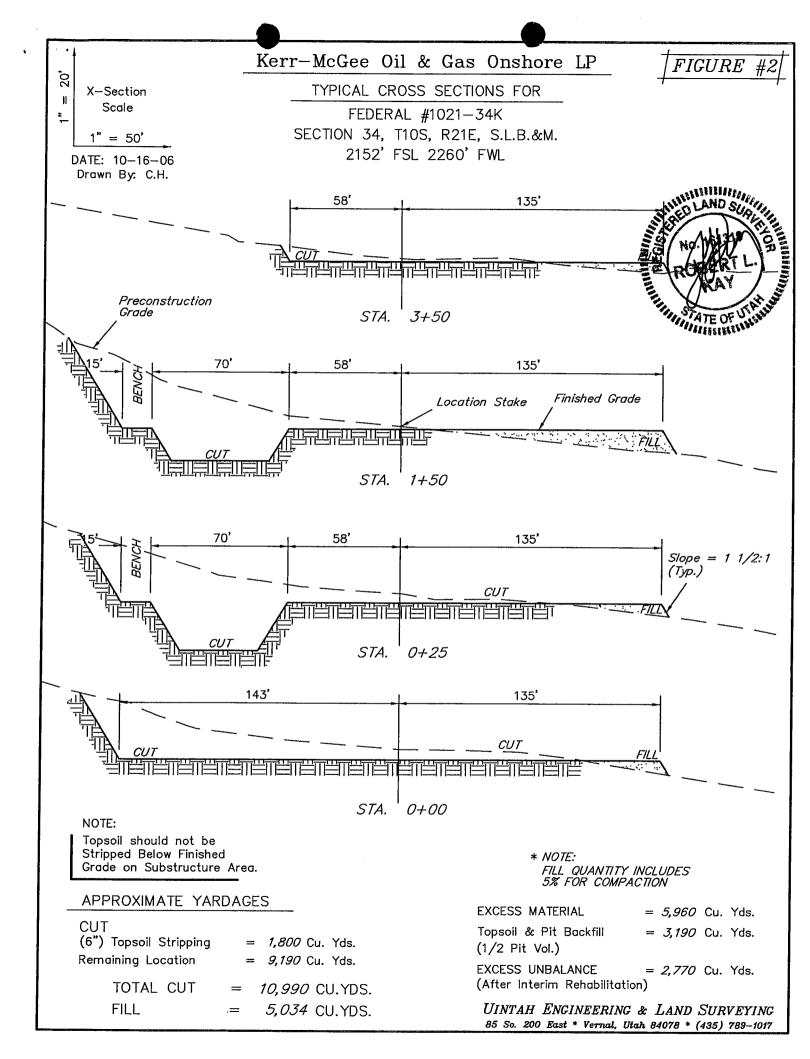
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

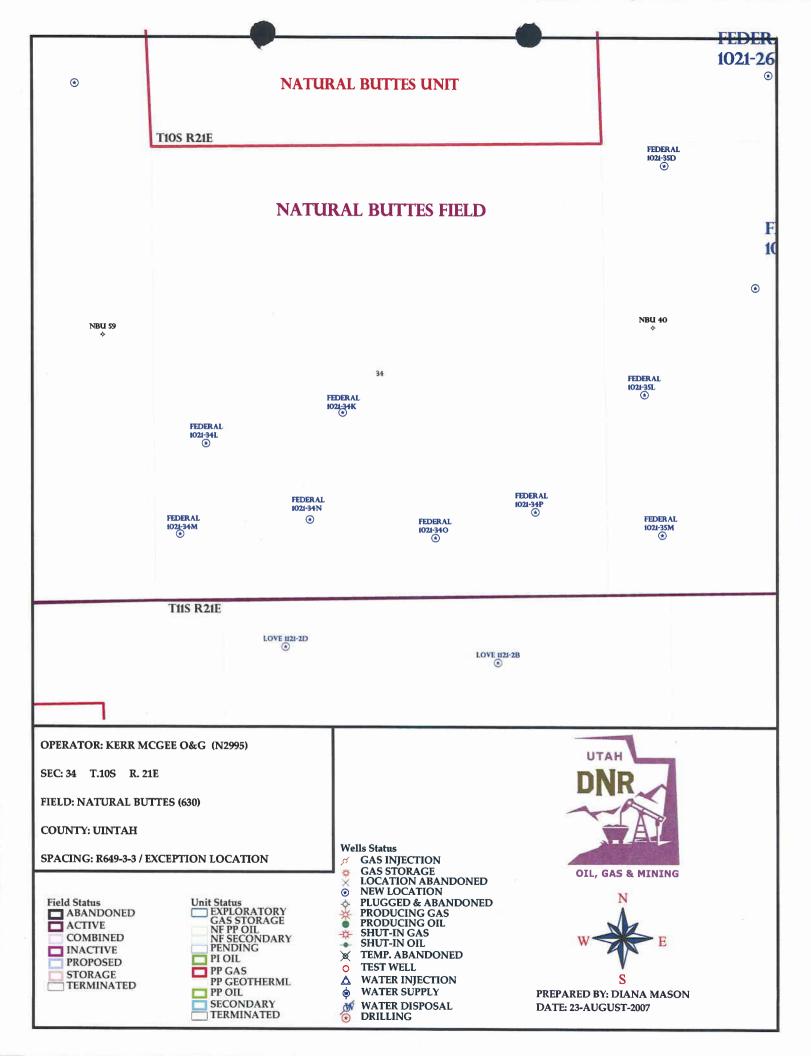
РНОТО

TAKEN BY: D.K. | DRAWN BY: C.P. | REVISED: 00-00-00





APD RECEIVED: 08/21/2007	API NO. ASSIGNED: 43-047-39581
WELL NAME: FEDERAL 1021-34K  OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )  CONTACT: SHEILA UPCHEGO	PHONE NUMBER: 435-781-7024
PROPOSED LOCATION:	INSPECT LOCATN BY: / /
NESW 34 100S 210E SURFACE: 2152 FSL 2260 FWL	Tech Review Initials Date
BOTTOM: 2152 FSL 2260 FWL	Engineering
COUNTY: UINTAH LATITUDE: 39.90258 LONGITUDE: -109.5383	Geology
UTM SURF EASTINGS: 624955 NORTHINGS: 4417757	Surface
FIELD NAME: NATURAL BUTTES (630)  LEASE TYPE: 1 - Federal  LEASE NUMBER: UTU-02277-B  SURFACE OWNER: 1 - Federal	PROPOSED FORMATION: WSMVD COALBED METHANE WELL? NO
Plat  Bond: Fed[1] Ind[1 Sta[1 Fee[1	CCATION AND SITING:  R649-2-3.  nit:  R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells  R649-3-3. Exception  Drilling Unit Board Cause No: Eff Date: Siting:  R649-3-11. Directional Drill
STIPULATIONS:  STIPULATIONS:  2 Space Shy 3- Du Shu	





Kerr-McGee Oil & Gas OnShore LP 1999 Broadway, Suite 3700, Denver, Colorado 80202 303-296-3600 • Fax 303-296-3601

February 28, 2007

Ms. Diana Mason Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, UT 84114-6100

RE: Federal 1021-34K T10S-R21E Section 34: NESW 2152' FSL, 2260' FWL Uintah County, Utah

Dear Ms. Mason:

Kerr-McGee Oil & Gas Onshore LP, formerly known as Westport Oil and Gas Company, L.P., has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to State Rule 649-3-2 (State Wide). The well location was moved for topographic reasons. Kerr-McGee owns 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location.

Kerr-McGee requests your approval of this exception location. If you have any questions, call me at 720-264-2618. Thank you for your assistance.

Sincerely,

W. Chris Latimer, CPL

Senior Landman

cc: Raleen White



# State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

**Division of Oil Gas and Mining** 

JOHN R. BAZA
Division Director

August 27, 2007

Kerr McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078

Re:

Federal 1021-34K Well, 2152' FSL, 2260' FWL, NE SW, Sec. 34, T. 10 South,

R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39581.

Sincerely,

Associate Director

pab Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal Office



Operator:	Kerr McGee Oil & Gas Onshore LP					
Well Name & Number	Federal 1021-34K					
API Number:	43-047-39581					
Lease:	UTU-02277-B					
Location: NE SW	<b>Sec.</b> 34	<b>T.</b> 10 South	<b>R.</b> 21 East			

#### **Conditions of Approval**

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Page 2 43-047-39581 August 27, 2007

6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

STATE OF UTAH  DEPARTMENT OF NATURAL RESOURCES  DIVISION OF OIL, GAS AND MINING	FORM 9  5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-02277B
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT OF CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Federal 1021-34K
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP	9. API NUMBER: 4304739581
3. ADDRESS OF OPERATOR: P.O. Box 173779 CITY Denver STATE CO ZIP 80217-3779 (720) 929-6226	10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2152' FSL & 2260' FWL	соимту: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 34 10S 21E	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
✓ NOTICE OF INTENT □ DEEPEN	REPERFORATE CURRENT FORMATION
(Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK	WATER DISPOSAL
(Submit Original Form Only)  CHANGE WELL STATUS  PRODUCTION (START/RESUME)	WATER SHUT-OFF
Date of work completion:  COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	✓ OTHER: APD Extension
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volun Kerr-McGee Oil & Gas Onshore, LP, respectfully requests a one year extension of this APE	) in order to complete drilling
operations. Utah Division of Oil, Gas, and Mining initially approved this APD on August 27,	2007.
Approved by the Utah Division of Oil, Gas and Mining	
Date: 06-12-06  By:	COPY SENT TO OPERATOR
$\gamma_{z}$	Date: 8 · 14 · 2008
	Initials: 45

NAME (PLEASE PRINT) Kevin McIntyre 8/11/2008 SIGNATURE DATE

(This space for State use only)

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Regulatory Analyst I



#### Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304739581  Well Name: Federal 1021-34K  Location: NESW 2152' FSL & 2260' FWL, Sec. 34, T10S, R21E  Company Permit Issued to: Kerr-McGee Oil & Gas Onshore, LP  Date Original Permit Issued: 8/27/2007
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes □ No ☑
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑No□
8/11/2008
Signature Date
Title: Regulatory Analyst I
Representing: Kerr-McGee Oil & Gas Onshore, LP
RECEIVED



GARY R. HERBERT
Lieutenant Governor

## State of Utah

#### DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2009

Raleen White Anadarko Petroleum Corp. PO Box 173779 Denver, CO 80217-3779 43 047 3958/ Federal 1021-34K

Re: APDs Rescinded at the request of Anadarko Petroleum Corp.

Dear Ms. White:

Enclosed find the list of APDs that you requested to be rescinded to Anadarko Petroleum Corp. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective February 20, 2009.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Masor

**Environmental Scientist** 

cc: Well File

Bureau of Land Management, Vernal

SITLA, Ed Bonner



4004700770000	FEDERAL 4004 00D	400		00	0505
43047395730000	FEDERAL 1021-23P	105	21E	23	SESE
43047395770000	FEDERAL 1021-251	108	21E	25	NESE
43047395760000	FEDERAL 1021-25M	10S	21E	25 25	SWSW
43047397930000	Federal 1021-25N	10S	21E	25	SESW
43047395810000	FEDERAL 1021-34K	108	21E	34	NESW
43047395520000	FEDERAL 1021-34M	108	21E	34	SWSW
43047395560000	FEDERAL 1021-34P	108	21E	34	SESE
43047389890000	FEDERAL 1021-35F	10S	21E	35	SENW
43047389760000	FEDERAL 1021-35G	10S	21E	35	SWNE
43047389380000	FEDERAL 1021-35H	105	21E	35	SENE
43047389350000	FEDERAL 1021-35I	105	21E	35	NESE
43047389330000	FEDERAL 1021-35P	108	21E	35	SESE
43047389370000	FEDERAL1021-35A	10S	21E	35	NENE
43047365050000	LOVE 1121-2B	118	21E	02	NWNE
43047394050000	LOVE UNIT 1121-10NT	115	21E	10	SESW
43047393910000	LOVE UNIT 1121-3NT	11S	21E	03	SWSW
43047388240000	LOVE UNIT 1122-18C	115	22E	18	NENW
43047388250000	LOVE UNIT 1122-18J	11S	22E	18	NWSE
43047388260000	LOVE UNIT 1122-18K	11S	22E	18	NESW
43047396050000	LOVE UNIT 1122-18L	118	22E	18	NWSW
43047396030000	LOVE UNIT 1122-19C	115	22E	19	NENW
43047386310000	MULLIGAN 823-23H	08S	23E	23	SENE
43047387130000	MULLIGAN 823-240	08S	23E	24	SWSE
43047393730000	NBU 1020-1KT	10S	20E	01	NESW
43047393740000	NBU 1020-24BT	10S	20E	24	NWNE
43047393760000	NBU 1021-11I	10S	21E	11	NESE
43047393800000	NBU 1021-11M	10S	21E	11	SWSW
43047393790000	NBU 1021-11P	10\$	21E	11	SESE
4304739383	NBU 1021-12A	10S	21E	12	NENE
43047393860000	NBU 1021-12L - <b>STATE</b>	108	21E	12	NWSW
43047393840000	NBU 1021-12N	108	21E	12	SESW
43047395470000	NBU 1021-15F	10S	21E	15	SENW
43047395460000	NBU 1021-15L	10S	21E	15	NWSW
43047395630000	NBU 1021-15P	10S	21E	15	SESE
43047395260000	NBU 1021-20G STATE/FED	10S	21E	20	SWNE
43047395340000	NBU 1021-20J STATE/FED	10S	21E	20	NWSE
43047395330000	NBU 1021-20K STATE/FED	10S	21E	20	NESW
43047395320000	NBU 1021-20L STATE/FED	10S	21E	20	NWSW
43047395310000	NBU 1021-200 <b>STATE/FED</b>	10S	21E	20	SWSE
43047375280000	NBU 1021-21C (FKA C275)	10S	21E	21	NENW
43047367020000	NBU 1021-21H	10S	21E	21	SENE
43047395500000	NBU 1021-22A	108	21E	22	NENE
43047394030000	NBU 1021-23FT	108	22E	23	SENW
43047395600000	NBU 1021-23L	10S	21E	23	NWSW
43047395780000	NBU 1021-25F	108	21E	25	SENW
43047395750000	NBU 1021-25J	108	21E	25	NWSE
43047395610000	NBU 1021-25K	10S	21E	25	NESW

13047395800000	NBU 1021-26D	108	21E	26	NWNW	
13047395790000	NBU 1021-26E	108	21E	26	SWNW	
13047379680000	NBU 1021-6C	108	21E	06	NENW LOT 3	
13047379670000	NBU 1021-6D	10S	21E	06	NWNW LOT 4	
13047379410000	NBU 1021-7B	10S	21E	07	NWNE	
13047401850000	NBU 921-31BT	098	21E	31	NWNE	
43047363950000	NBU 921-33K	098	21E	33	NESW	
4304740038	HATCH 923-13A	098	23E	13	NENE	
4304740060	HATCH 923-13ED	09S	23E	13	SWNW	
1304740059	HATCH 923-13O	09S	23E	13	SWSE	
4304740061	HATCH 923-14M	098	23E	14	SWSW	
1304740143	HATCH 923-14O	098	23E	14	SWSE	
4304740064	HATCH 923-15B	098	23E	15	NWNE	
1304740062	HATCH 923-15L	098	23E	15	NWSW	
1304740063	HATCH 923-15P	098	23E	15	SESE	
1304740065	HATCH 923-24O	098	23E	24	SWSE	
1304740069	HATCH 923-25A	09S	23E	25	NENE	
1304740068	HATCH 923-25I	098	23E	25	NESE	
1304740070	HATCH 923-25O	098	23E	25	SWSE	
43047388010000	FEDERAL 1022-15H	108	22E	15	SENE	
4304739388	FEDERAL 1022-15K	108	22E	15	NESW	
13047389240000	FEDERAL 1022-15L	108	22E	15	NWSW	



### United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office 170 South 500 East Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410 http://www/blm.gov/ut/st/en/fo/vernal/html



IN REPLY REFER TO: 3160
LLUTG01100

March 2, 2009

43047. 39581

Raleen White Kerr McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779

Re:

Return Unapproved APD Well No. Federal 1021-34K NESW, Sec. 34, T10S, R21E Uintah County, Utah Lease No. UTU-02277-B

Dear Ms. White:

The Application for Permit to Drill (APD) for the above referenced well received August 16, 2007, is being returned unapproved per your request to this office in an email message on February 20, 2009. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson Land Law Examiner

**Enclosures** 

CC:

**UDOGM** 

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MAR 1 0 2009